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Better **BANKING** begins
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October 11, 2007

Board of Governors
United States Federal Reserve
2100 Constitution Avenue, N.W.
Washington, DC 20006

RE: Docket No. R-1286

Dear Sir or Madam:

I am writing to comment on the proposed changes to Regulation Z that you are currently considering. Although well intended and overdue in many respects, the proposed changes that apply to multi-featured, open-ended lending programs dramatically affected a lending system that has served credit unions and credit union members in good stead for over thirty years.

Communities of Abilene Federal Credit Union, like thousands of other credit unions around the world, has offered open-ended lending to our members since the mid 1970's. The current system has worked well for us, and neither we nor our regulators have received any complaints from our members on disclosures or processes associated with our open-ended program.

The proposed changes will seriously disrupt our ability to provide convenient loan options to our members. If approved, these changes will destroy the delivery channels our members rely on for convenient access to consumer friendly lending resources, and would, for many major credit needs, force our members back into a branch only delivery system. Although that would be a major competitive advantage for the very large money-center banks, it would work a severe hardship on the working-class members of a credit union, who in most instances are trying to hold multiple jobs and still raise a family.

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In addition, the proposed changes to Regulation Z will have a significant impact on credit unions already operating in a margin compressed environment. The more consumer friendly credit unions, already struggling to survive, will have to modify their lending procedures, repurchase processing software, and purchase new forms. From an operational perspective, they will also have to retrain staff, and that will reduce efficiency and increase error rates. Since there is no margin to absorb these costs, they will have to be passed to members.

I think any benefit to the banking system and to consumers has to be weighted against these costs. To me, the conclusion is clear. It is for this reasons that Communities of Abilene Federal Credit Union would like to go on record as being opposed to the proposed changes to Regulation Z, and particularly to those changes pertaining to multi-featured, open-ended lending programs.

Sincerely,

A handwritten signature in black ink, reading "Gavin H. Cochran". The signature is written in a cursive, flowing style.

Gavin H. Cochran
President/CEO